

EXHIBIT 16-a

The New Patent Rules on Continuation and Claims Practice from the USPTO's Perspective

FY 2006 Quality Results

■ Improving Quality is our Highest Priority

2006 Goal	2006 Result
4% allowance error	3.5% allowance error
86% in process compliance	90% in process compliance

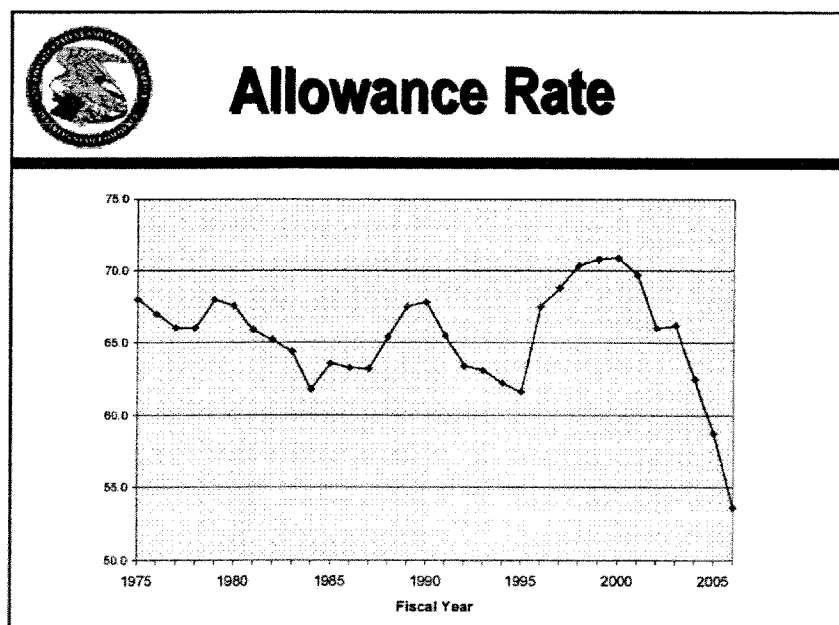
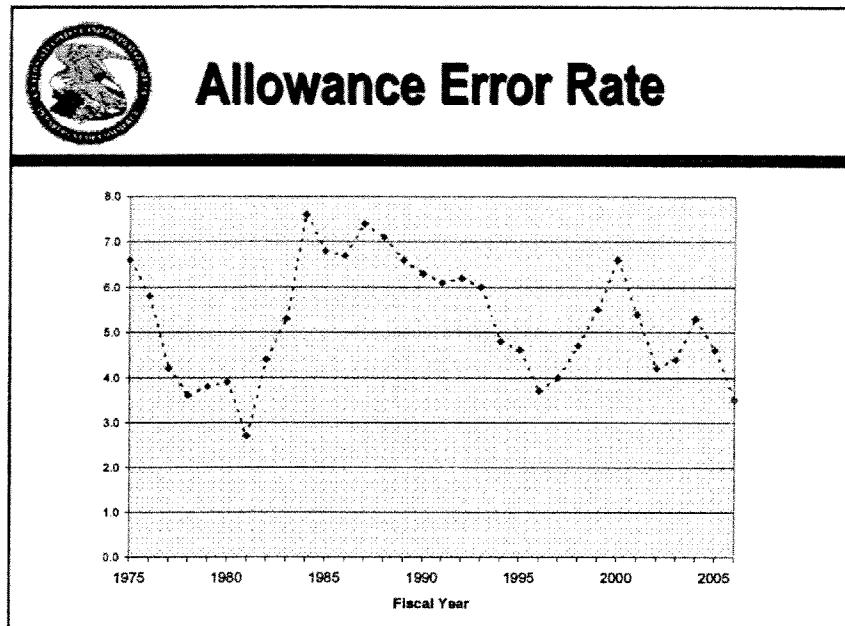


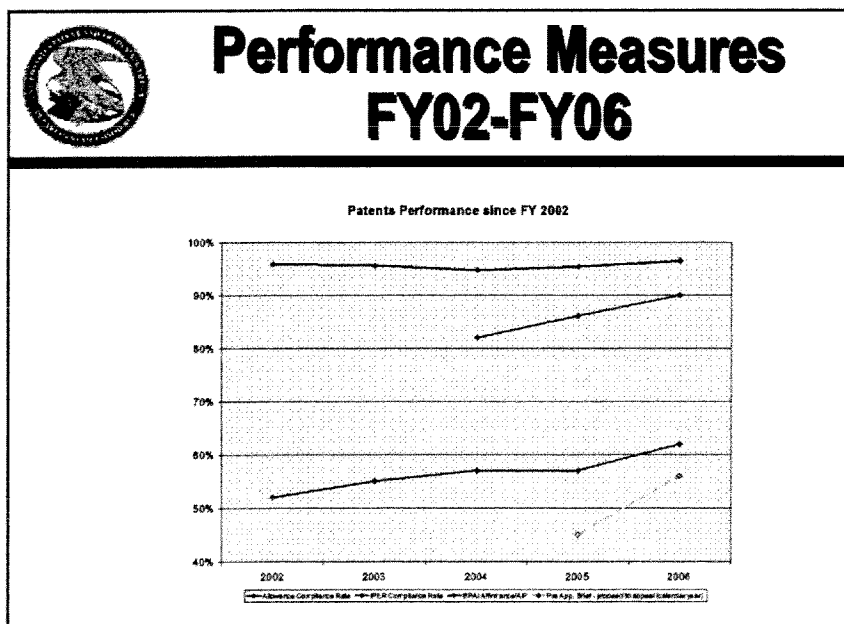
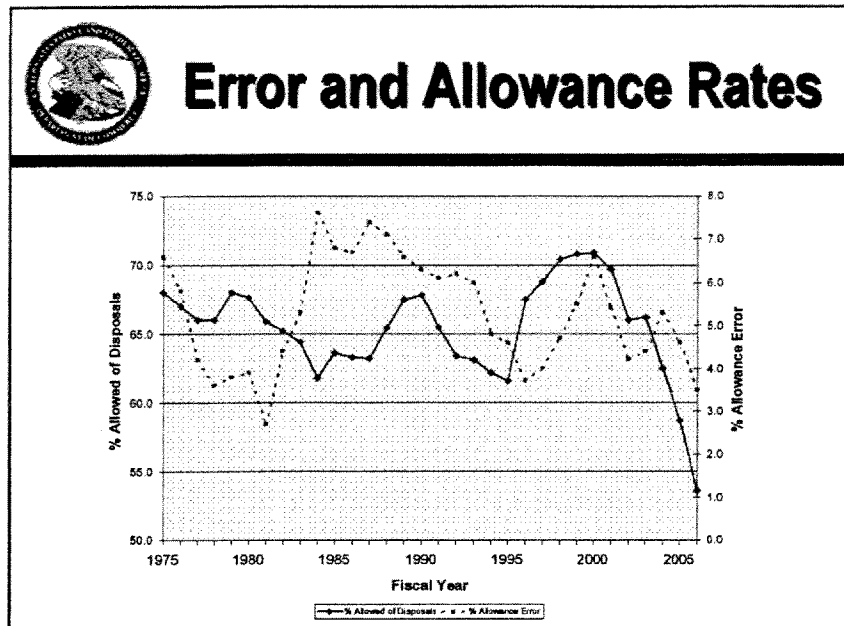
Quality

- 2006 goals: $\leq 4\%$ allowance error and $\geq 86\%$ in-process compliance
- 2006 results: 3.5% allowance error and 90.0% in-process compliance
- 2007 goals: $\leq 4\%$ allowance error and $\geq 88\%$ in-process compliance

FY 2006	% allowance error	% compliant in-process examination
Target	4.0%	86.0%
USPTO	3.5%	90.0%
TC 1600 (Biotech)	4.8%	86.6%
TC 1700 (Chemical Eng.)	4.8%	86.6%
TC 2100 (Computers)	2.8%	90.0%
TC 2600 (Communications)	2.8%	90.0%
TC 2800 (Semiconductors)	4.0%	91.1%
TC 3600 (Transport. & BM)	3.9%	92.0%
TC 3700 (Mechanical Eng.)	3.9%	92.0%

2007 Intellectual Property Spring Seminar, March 19, 2007



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End-of-year statistics

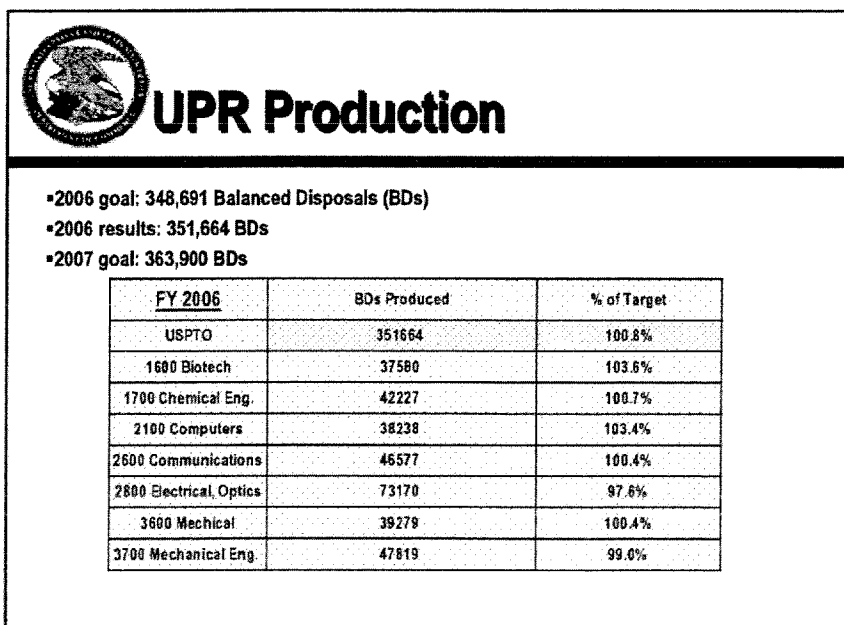
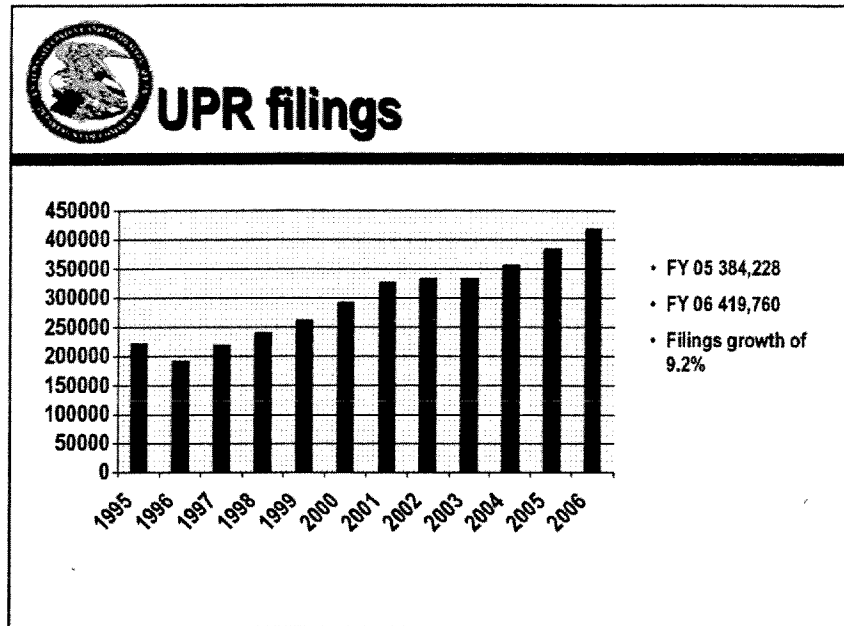
As of September 30, 2006 (including design):

- 701,147 applications awaiting first action by the examiner
- 4883 patent examiners
- 397 supervisors
- 29 patent academy trainers
- 22 TC directors



Patent Operations update

- **FY 2006 filings**
- **FY 2006 goals and results**
 - **Quality**
 - **Production**
 - **Pendency**
 - **Hiring and attrition**
 - **Electronic filing**

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Patent pendency

Technology Center	Average 1 st Action Pendency (months) ¹	Average Total Pendency (months) ²
1600 - Biotechnology and Organic Chemistry	23.5	34.4
1700 - Chemical and Materials Engineering	22.7	32.1
2100 - Computer Architecture Software and Information Security	30.8	44.0
2600 - Communications	30.4	42.9
2800 - Semiconductor, Electrical, Optical Systems	16.4	25.4
3600 - Transportation, Construction, Electronic Commerce	21.7	29.6
3700 - Mechanical Engineering, Manufacturing and Products	20.2	28.2
UPR Total	22.6	31.1
FY 06 Target	22.0	31.3

¹ "Average 1st action pendency" is the average age from filing to first action for a newly filed application.

² "Average total pendency" is the average age from filing to issue or abandonment of a newly filed application.



Hires and attritions

	1600	1700	2100	2600	2800	3600	3700	Corps
FY 04 EOY Staff								
FY 05 EOY Staff								
FY 06 Hiring Goal	75	35	690			100	100	1000*
FY 06 Hiring	96	88	259	228	226	144	152	1193
FY 06 Attrits	53	56	96	84	96	49	76	510
FY 06 EOY Staff								
FY06 Hires as percent of FY 05 EOY Staff	19%	18%	35%	29%	25%	30%	28%	27%

Staff includes Examiners, SPEs and academy trainers.

*As originally planned. Hiring target raised to 1200 during FY 2006.

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Electronic filing

New EFS-Web system launched March 2006

- allows PDF-based submissions
- replaced XML-based system

2005 result: 2.2% of applications filed electronically

2006 goal: 10% of applications filed electronically

2006 result: 14.1% of applications filed electronically

FY 2007 results to date: almost 50% of applications filed weekly are received through EFS-Web



STRATEGIC PLANNING AND THE FUTURE OF THE USPTO

<http://www.uspto.gov/web/offices/com/strat2007/>

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Improving Quality

■ **Quality improvement initiatives include:**

- **Improving Search Quality**
 - **Additional Examiner Resources for Search**
- **Peer Review Pilot**
 - **Third Party Submission / Comment**
- **Develop Quality Metrics**
 - **Seeking Input from Public**
- **External Validation**
 - **Quasi-Governmental, Attorneys on Sabbatical, or an Independent Search Firm**



Notice of Proposed Rules Changes

- **Claims**
- **Continuing Applications**
- **Information Disclosure Statements**

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Policy/Practice Initiatives

■ Alternative Examination Products

➤ Patentee / Trade Organization / User Input

■ Wants and Needs for IP Protection

- Different Levels of Examination / Protection
- Deferred Examination
- Peer Review
- Collaborative Examination

■ Markush / Generic Claims

- Notice of Proposed Rule Making
- Input on Potential Solutions



Patent eGovernment - Future

■ eOffice Action Pilot

■ Electronic Signatures for Patent Corps

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Employees - Location of Work

- **Developing a Nationwide Workforce**
 - Regional
 - Local

- **Hoteling**
 - Over 500 Patent Examiners currently participate in Patent Hoteling Program (PHP)
 - Goal for FY 2007 – add 500 examiners



Outsourcing

- **Reclassification**
- **PCT Outsourcing Search Pilot**
- **Pre-Grant Publications - Classification**

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Patent Prosecution Highway – Pilot Program

- Pilot program commenced on July 3, 2006 for a period of 1 year; period may be extended for up to one additional year
- USPTO has received approximately 25 requests; JPO approximately 80 requests



Contact Information

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